

**EXECUTION COPY**

May 30, 2008

South Carolina Generating Company, Inc.  
426 Main Street  
Columbia, South Carolina 29201  
Attention: Corporate Secretary

**Re: First Modification Letter and Reaffirmation**

Ladies and Gentlemen:

Reference is made to that certain Note Agreement, dated as of February 11, 2004 (as amended, modified or restated from time to time, the "**Note Agreement**"), between South Carolina Generating Company, Inc. (the "**Company**"), a South Carolina corporation, and the purchasers listed on the Purchaser Schedule attached thereto (the "**2004 Purchasers**"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Note Agreement.

As a condition of the 2004 Purchasers entering into the Note Agreement, (a) SCANA Corporation, a South Carolina corporation ("**SCANA**") entered into that certain Amended and Restated Guarantee Agreement dated as of February 11, 2004 in favor of the holders of the Notes and the 1992 Notes (the "**Guarantee Agreement**") and (b) South Carolina Generating Company, Inc., a South Carolina corporation ("**SCE&G**") entered into that certain Inducement Letter dated as of February 11, 2004 in favor of the holders of the Notes (the "**Inducement Letter**").

The Company has or is about to enter into a Note Agreement (the "**2008 Note Agreement**"), dated as of May 30, 2008, under which, subject to the terms and conditions thereof, the purchasers listed on the Purchaser Schedule thereto (collectively, the "**2008 Purchasers**") have agreed to purchase \$80,000,000 principal amount of the Company's 6.06% Series 2008-A Senior Secured Notes, due June 1, 2018 (the "**2008-A Notes**") and \$80,000,000 principal amount of the Company's 6.06% Series 2008-B Senior Secured Notes, due June 1, 2018 (the "**2008-B Notes**").

In connection with the execution of the 2008 Note Agreement and the issuance of the 2008-A Notes and the 2008-B Notes, the Company has requested that the Required Holder(s) agree to certain modifications to the Note Agreement. Subject to the terms and conditions hereof, and effective upon the satisfaction of the conditions set forth herein, and provided that the Company agrees to the modifications of the Note Agreement set forth below, the holders of

the Notes signing this letter are willing to agree to such request. Accordingly, and in accordance with the provisions of paragraph 11C of the Note Agreement, the parties hereto agree as follows:

**SECTION 1. Amendments to the Note Agreement.** Effective on the Effective Date (as defined in Section 6 hereof), the holders of the Notes signing this letter and the Company agree that the Note Agreement shall be amended as follows:

1.1 Paragraph 3H of the Note Agreement is hereby amended to delete “(the “Mortgage”)”.

1.2 Paragraph 3I of the Note Agreement is hereby amended to delete “(the “Security Agreement”)”.

1.3 Paragraph 5A(i) of the Note Agreement is hereby amended and restated in its entirety to read as follows:

“(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, statements of income, retained earnings and cash flows of the Company for the period from the beginning of the current fiscal year to the end of such quarterly period, and a balance sheet of the Company as at the end of such quarterly period, setting forth in the case of the statements of income in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and satisfactory in form to the Required Holder(s) and certified by an authorized financial officer of the Company, subject to changes resulting from year end adjustments; provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it shall have timely posted such financial statements on its home page on the worldwide web and shall have given each Significant Holder prior notice (such notice to include the address of its home page and any user identification information or passwords necessary to access such financial statements) of such availability on its home page (such availability and notice thereof being referred to as “*Electronic Delivery*”) or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;”

1.4 Paragraph 5A(ii) of the Note Agreement is hereby amended and restated in its entirety to read as follows:

“(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, statements of income, cash flows and retained earnings of the Company for such year, and a balance sheet of the Company as at the end of such year, setting forth in each case in comparative form corresponding figures from the preceding annual report, all in reasonable detail and satisfactory in form to the Required Holder(s) and, as to the statements, certified by an authorized financial officer of the Company and reported on by independent public accountants of recognized national standing selected by the Company whose report shall be substantially in the form of Schedule 5A(ii) as to scope and satisfactory in substance to the Required Holder(s); provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it

shall have timely made Electronic Delivery thereof or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;"

1.5 Paragraph 5A(iii) of the Note Agreement is hereby amended and restated in its entirety to read as follows:

"(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports pursuant to the Securities Exchange Act of 1934 (other than Forms 3, 4 and 5 or similar forms) which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission); provided, that the Company shall be deemed to have made such delivery of the items described above if it shall have timely made Electronic Delivery thereof or delivered such items to each Significant Holder in a manner that has been approved by such Significant Holder;"

1.6 The last paragraph of Paragraph 5A of the Note Agreement is hereby amended and restated in its entirety to read as follows:

"Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate (a) demonstrating (with computations in reasonable detail) compliance by the Company with the provisions of paragraph 6A, (b) stating that the Company has complied at all times with paragraph 5E and (c) stating that there exists no Event of Default or Default, or, if any Event of Default or Default exists, specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto (which, in the case of Electronic Delivery of any such financial statements, shall be by separate prompt delivery of such Officer's Certificate to each Significant Holder). The Company also covenants that immediately after any Responsible Officer obtains knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto."

1.7 Paragraph 5F of the Note Agreement is hereby amended and restated in its entirety to read as follows:

**"5F. Maintenance of Insurance.** The Company covenants that it shall (i) maintain insurance in such amounts and with such deductibles and against such liabilities and hazards as customarily is maintained by other companies operating similar businesses, and (ii) upon a request by any holder of a Note, deliver to such holder a copy of the certificate of the Company's independent insurance agent summarizing the details of such insurance in effect and stating the term of such insurance. The property insurance policies will be insured by reputable insurance companies with loss payable and standard non-contribution mortgagee clauses in favor of the Collateral Agent. Losses shall be applied to the repair or replacement of damaged equipment or paid to the Collateral Agent in accordance with the Mortgage."

1.8 Paragraph 5J of the Note Agreement is hereby amended and restated in its entirety to read as follows:

**“5J. Security Interest Opinion.** The Company covenants that it will, not later than 120 days after the end of the calendar year ended on December 31, 2008 and after the end of each fifth calendar year (or such shorter period of time as any UCC continuation statement or mortgage continuation statement is required to be filed with respect to the Liens created by the Mortgage and the Security Agreement) thereafter, deliver to Prudential and the Collateral Agent, an opinion of counsel satisfactory to the Required Holder(s) covering the following matters: (i) (a) describing the recordings, filings or UCC continuation statements required to be filed during the calendar year most recently ended in order to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and identifying the jurisdictions in which such filings or recordings are required to be made and (b) that the Company has taken such action as was necessary to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and reciting the details of such actions, or stating that no such action was necessary to maintain such Lien during such calendar year, (ii) (a) whether or not any recordings, filings or UCC continuation statements are required to be filed within the then-current calendar year in order to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and identifying the jurisdictions in which such filings or recordings are required to be made and (b) either that the Company has taken, or caused or will cause to be taken, such action as is necessary to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and reciting the details of such actions, or stating that no such action is necessary to maintain such Lien during such fiscal year.”

1.9 Paragraph 6B(2)(i) of the Note Agreement is hereby amended and restated in its entirety to read as follows:

“(i) Debt represented by the Notes, the 1992 Notes, the 2008 Notes and the Pollution Control Bonds; provided, that, the aggregate outstanding principal amount of the Debt represented by the Pollution Control Bonds shall not exceed \$50,000,000 at any time;”

1.10 Clause (b) of Paragraph 6B(2)(iii) of the Note Agreement is hereby amended and restated in its entirety to read as follows:

“(b) the installation of such devices and fixtures is required by law or is part of the Company’s program to comply with law,”

1.11 Clause (d) of Paragraph 6B(2)(iii) of the Note Agreement is hereby amended by adding the following proviso at the end of such clause to read as follows:

“; provided, however, if such Debt is unsecured, such lender or lenders shall instead deliver to the holders of the Notes an acknowledgment that such Debt is unsecured and shall remain unsecured and that the Collateral Agent has a first priority

lien on all of such property and assets of the Company, which acknowledgment shall be in form and substance acceptable to the Required Holder(s).”

1.12 Paragraph 7A(iii) of the Note Agreement is hereby amended by adding the following proviso immediately prior to “; or” to read as follows:

“; provided that, with respect to SCANA and any of SCANA’s Significant Subsidiaries (other than the Company) the aggregate amount of all obligations as to which such a default in payment or such failure or other event causing or permitting acceleration (or resale) equals or exceeds \$35,000,000”

1.13 Paragraph 7A(xiii) of the Note Agreement is hereby amended (a) by deleting “\$2,500,000” in clause (i) and inserting therefor “\$5,000,000” and (b) by deleting “\$5,000,000” in clause (ii) and inserting therefor “35,000,000”.

1.14 Paragraph 7A(xix) of the Note Agreement is hereby amended and restated to read as follows:

“(xix) there shall occur any loss, theft, damage or destruction of all or any material part of the Collateral or the Mortgaged Property for which the Company is not fully insured as required by this Agreement or any other Transaction Document or there shall occur any loss, theft, damage or destruction of all or any part of the Collateral or the Mortgaged Property for which the Company is fully insured as required by this Agreement or any other Transaction Document if the amount of such loss, theft, damage or destruction exceeds \$100,000,000 (excluding any amount of such loss, theft, damage or destruction paid for by a third-party insurance company or covered by insurance provided by a solvent third-party insurance company that has acknowledged coverage in writing and is not contesting its liability therefor); or”

1.15 Paragraph 10B of the Note Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

**“Mortgage”** shall mean that certain Second Amended and Restated Mortgage and Security Agreement dated as of May 30, 2008, made by the Company in favor of the Collateral Agent, as may be amended, restated, supplemented or otherwise modified from time to time.

**“Security Agreement”** shall mean that certain Amended and Restated Security Agreement dated as of February 11, 2004, between the Company and the Collateral Agent, as amended by Amendment No. 1 to Security Agreement, as may be further amended, restated, supplemented or otherwise modified from time to time.

**“Utility Money Pool”** shall mean the “Utility Money Pool” as defined in the Utility Money Pool Agreement dated as of January 3, 2006 among SCANA, SCANA Services, Inc. and the utility subsidiaries of SCANA which are parties thereto, as such agreement may be amended, supplemented or modified from time to time.

1.16 Paragraph 10B of the Note Agreement is hereby further amended by adding the following definitions thereto in their appropriate alphabetical order to read as follows:

**“Amendment No. 1 to Security Agreement”** shall mean Amendment No. 1 to Amended and Restated Security Agreement dated as of May 30, 2008, between the Company and the Collateral Agent.

**“Electronic Delivery”** shall have the meaning specified in paragraph 5A(i) hererof.

**“Pollution Control Bonds”** shall mean unsecured Debt owed by the Company under a loan agreement with South Carolina Jobs-Economic Development Authority, which loan agreement shall have commercial terms that are substantially the same in all material respects as the commercial terms contained in the Loan Agreement, dated August 15, 2003, between the Company and Berkeley County, South Carolina, the proceeds of which are used to fund the costs of the purchase and installation of pollution control equipment for the Williams Station.

**“SVO”** shall mean the Securities Valuation Office of the National Association of Insurance Commissioners or any successor to such Office.

**“2008 Note Agreement”** shall mean that certain Note Agreement dated as of May 30, 2008 made by the Company with the purchasers named on the Purchaser Schedule thereto, as amended from time to time.

**“2008 Notes”** shall mean the “Notes”, as defined in the 2008 Note Agreement.

1.17 Paragraph 10C of the Note Agreement is hereby amended and restated in its entirety to read as follows:

**“10C. Accounting Principles, Terms and Determinations.** All references in this Agreement to “generally accepted accounting principles” shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with the accounting requirements of FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, applied on a basis consistent (except as expressly set forth therein) with the most recent audited financial statements of the Company delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8C.”

1.18 Clause (i) of Paragraph 11B of the Note Agreement is hereby amended and restated in its entirety to read as follows:

“(i) all document production and duplication charges and the reasonable fees and expenses of any special counsel and environmental consultant or engineer engaged by such the Collateral Agent or the Required Holder(s) in connection with this Agreement, any other Transaction Document or any agreement contemplated by paragraph 6B(2)(iii)(d), the transactions contemplated hereby (including without limitation all recording charges, filing fees and other costs incurred in order to create or perfect, or maintain the creation or perfection of, the mortgage lien and security interests intended to be created by the Mortgage and Security Agreement) and any subsequent proposed modification of, amendment to, or proposed consent under, this Agreement or any other Transaction Document, whether or not such proposed modification shall be effected or proposed consent granted,”

1.19 Paragraph 11I of the Note Agreement is hereby amended and restated in its entirety to read as follows:

**“11I. Confidential Information.** For the purposes of this paragraph 11I, “Confidential Information” means information delivered to any Purchaser by or on behalf of the Company in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or (d) constitutes financial statements delivered to such Purchaser under paragraph 5A that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this paragraph 11I, (iii) any other holder of any Note, (iv) any Person to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 11I), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 11I), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or

order applicable to such Purchaser (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (x) in response to any subpoena or other legal process (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (y) in connection with any litigation to which such Purchaser is a party (provided that, if not prohibited by applicable law and neither the Company nor any of its Affiliates are involved in such litigation, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure) or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this paragraph 11I as though it were a party to this Agreement."

**SECTION 2. Amendments to the Guarantee.** Effective on the Effective Date (as defined in Section 6 hereof), the holders of the Notes signing this letter and SCANA agree that the Guarantee shall be amended as follows:

2.1 Section 3.1(i) of the Guarantee is hereby amended and restated in its entirety to read as follows:

"(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, condensed consolidated statements of income, cash flows and comprehensive income of the undersigned and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a condensed consolidated balance sheet of the undersigned and its Subsidiaries as at the end of such quarterly period, setting forth in the case of the statements of income in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and satisfactory in form to the Required Holder(s) and certified by an authorized financial officer of the undersigned, subject to changes resulting from year-end adjustments; provided, however, that the requirements of this clause (i) shall be deemed to be satisfied if the Company shall (a) deliver pursuant to clause (iii) below of copies of the Quarterly Report on Form 10-Q of the undersigned for such quarterly period filed with the Securities and Exchange Commission, (b) have timely posted such financial statements on its home page on the worldwide web and shall have given each Significant Holder prior notice (such notice to include the address of its home page and any user identification information or passwords necessary to access such financial statements) of such availability on its home page (such availability and notice thereof being referred to as "*Electronic Delivery*") or (c) deliver such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;"

2.2 Section 3.1(ii) of the Guarantee is hereby amended and restated in its entirety to read as follows:



“(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidated statements of income and cash flows and a consolidated statement of changes in common equity of the undersigned and its Subsidiaries for such year, and a consolidated balance sheet of the undersigned and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in form to the Required Holder(s) and, as to the consolidated statements, reported on by independent public accountants of recognized national standing selected by the undersigned whose report shall be without limitation as to the scope of the audit and satisfactory in substance to the Required Holder(s); provided, however, that the requirements of this clause (ii) shall be deemed to be satisfied if the Company shall (a) deliver pursuant to clause (iii) below of copies of the Annual Report on Form 10-K of the undersigned for such fiscal year filed with the Securities and Exchange Commission, (b) have timely made Electronic Delivery or (c) deliver such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;”

2.3 Section 3.1(iii) of the Guarantee is hereby amended and restated in its entirety to read as follows:

“(iii) promptly, and in any event within 30 days, upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports pursuant to the Securities Exchange Act of 1934 (other than Forms 3, 4 and 5 or similar forms) which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission); provided, that the Company shall be deemed to have made such delivery of the items described above if it shall have timely made Electronic Delivery thereof or delivered such items to each Significant Holder in a manner that has been approved by such Significant Holder;”

2.4 Section 3.1(iv) of the Guarantee is hereby amended and restated in its entirety to read as follows:

“(iv) promptly upon receipt thereof, a copy of each other report on examination submitted to the undersigned or any Significant Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the undersigned or any Significant Subsidiary; and”

2.5 The last paragraph of Section 3.1 of the Guarantee is hereby amended and restated in its entirety to read as follows:

“Together with each delivery of financial statements required by clauses (i) and (ii) above, the undersigned will deliver to each Significant Holder an Officer’s Certificate stating that there exists no failure by the undersigned to perform or comply with any of its obligations hereunder or under the Subordination Agreement, or, if any such failure exists, specifying the nature and period of existence thereof and what action the undersigned proposes to take with respect thereto (which, in the case of Electronic

Delivery of any such financial statements, shall be by separate prompt delivery of such Officer's Certificate to each Significant Holder)."

2.6 Clause (i) of Section 3.5 of the Guarantee is hereby amended and restated in its entirety to read as follows:

"(i) SCE&G, except preferred stock having voting rights only following the nonpayment of any stated dividend thereon and containing other terms as are customary in the utility industry,"

2.7 Section 4.1(i) of the Guarantee is hereby amended and restated in its entirety to read as follows:

"(i) sell or otherwise dispose of, or part with control of, any shares of capital stock of either of SCE&G (other than preferred stock of SCE&G having voting rights only following the nonpayment of any stated dividend thereon and containing other terms as are customary in the utility industry) or Company, or create, assume or suffer to exist any Lien on or with respect to the capital stock of SCE&G or Company,"

2.8 Section 4.2 of the Guarantee is hereby amended and restated in its entirety to read as follows:

**"Section 4.2 Issuance of Stock of SCE&G and Company.** The undersigned covenants that neither SCE&G nor Company shall (either directly or indirectly) by the issuance of rights or options for, or securities convertible into such shares, issue, sell or otherwise dispose of any shares of any class of its stock (other than with respect to preferred stock of SCE&G having voting rights only following the nonpayment of any stated dividend thereon and containing such other terms as are customary in the utility industry), except to the undersigned."

2.9 Clause (iii) of Section 6.5 of the Guarantee is hereby amended and restated in its entirety to read as follows:

"(iii) if to the undersigned, addressed to it at 1426 Main Street, Columbia, South Carolina 29201, Attention: Corporate Treasurer, with a copy to the Corporate Secretary, or at such other address as the undersigned shall have specified to the holder of each Note in writing: provided, however, that any such communication to the undersigned may also, at the option of the holder of any Note, be delivered by any other means either to the undersigned at its address specified above or to any officer of the undersigned."

2.10 Section 6.4 of the Guarantee is hereby amended and restated in its entirety to read as follows:

**"Section 6.4 Confidential Information.** For the purposes of this Section 6.4, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company in connection with the transactions contemplated by or otherwise pursuant to the Note Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being

confidential information of the Company, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or (d) constitutes financial statements delivered to such Purchaser under Section 3.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 6.4, (iii) any other holder of any Note, (iv) any Person to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 6.4), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 6.4), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the undersigned thereof prior to such disclosure), (x) in response to any subpoena or other legal process (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the undersigned thereof prior to such disclosure), (y) in connection with any litigation to which such Purchaser is a party (provided that, if not prohibited by applicable law and neither the undersigned nor any of its Affiliates are involved in such litigation, such holder will use commercially reasonable efforts to give notice to the undersigned thereof prior to such disclosure) or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and the Note Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 6.4 as though it were a party to this Guarantee."

**SECTION 3. Amendments to the Inducement Letter.** Effective on the Effective Date (as defined in Section 6 hereof), the holders of the Notes signing this letter and SCE&G agree that the Inducement Letter shall be amended as follows:

3.1 Section 2A(i) of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

“(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, condensed consolidated statements of income and cash flows of the Company and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a condensed consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting forth in the case of the statements of income in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and satisfactory in form to the Required Holder(s) and certified by an authorized financial officer of the Company, subject to changes resulting from year-end adjustments; provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it shall have timely posted such financial statements on its home page on the worldwide web and shall have given each Significant Holder prior notice (such notice to include the address of its home page and any user identification information or passwords necessary to access such financial statements) of such availability on its home page (such availability and notice thereof being referred to as “*Electronic Delivery*”) or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;”

3.2 Section 2A(ii) of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

“(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidated statements of income and cash flows and a consolidated statement of changes in common equity of the Company and its subsidiaries for such year, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in form to the Required Holder(s) and, as to the consolidated statements, reported on by independent public accountants of recognized national standing selected by the Company whose report shall be without limitation as to the scope of the audit and satisfactory in substance to the Required Holder(s)); provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it shall have timely made Electronic Delivery thereof or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;”

3.3 Section 2A(iii) of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

“(iii) promptly, and in any event within 30 days, upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports pursuant to the Securities Exchange Act of 1934 (other than Forms 3, 4 and 5 or similar forms) which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange commission); provided, that the Company shall be deemed to have made such

delivery of the items described above if it shall have timely made Electronic Delivery thereof or delivered such items to each Significant Holder in a manner that has been approved by such Significant Holder;"

3.4 Section 2A(iv) of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

"(iv) promptly upon receipt thereof, a copy of each other report on examination submitted to the Company or any Significant Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company or any Significant Subsidiary; and"

3.5 The last paragraph of Section 2A of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

"Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate stating that there exists no failure by the Company to perform or comply with any of its obligations hereunder, or, if any such failure exists, specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto (which, in the case of Electronic Delivery of any such financial statements, shall be by separate prompt delivery of such Officer's Certificate to each Significant Holder). The Company also covenants that immediately after any Responsible Officer of the Company obtains knowledge of any such failure, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto."

3.6 Clause (iii) of Section 4E of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

"(iii) if to the Company, addressed to it at 1426 Main Street, Columbia, South Carolina 29201, Attention: Corporate Treasurer with a copy to the Corporate Secretary, or at such other address as the Company shall have specified to the holder of each Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Note, be delivered by any other means either to the Company at its address specified above or to any officer of the Company."

3.7 Paragraph 4D of the Inducement Letter is hereby amended and restated in its entirety to read as follows:

"4D. **Confidential Information.** For the purposes of this paragraph 11I, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company in connection with the transactions contemplated by or otherwise pursuant to the Note Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or

omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or (d) constitutes financial statements delivered to such Purchaser under paragraph 2A that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this paragraph 4D, (iii) any other holder of any Note, (iv) any Person to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 4D), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 4D), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (x) in response to any subpoena or other legal process (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (y) in connection with any litigation to which such Purchaser is a party (provided that, if not prohibited by applicable law and neither the Company nor any of its Affiliates are involved in such litigation, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure) or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and the Note Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this paragraph 4D as though it were a party to this Agreement."

**SECTION 4. Reaffirmation.** The Subordination Agreement is, and shall remain, in full force and effect in accordance with its terms, SCANA hereby ratifies and reaffirms all of its obligations and liabilities arising under the Subordination Agreement, and the execution, delivery and effectiveness of this reaffirmation, shall not diminish, or operate as a waiver of, any right, power or remedy of the 2004 Purchasers under the Subordination Agreement. The Indemnity Agreement and the Inducement Letter are, and shall remain, in full force and effect in accordance with their terms, SCE&G hereby ratifies and reaffirms all of its obligations and liabilities arising under each of the Indemnity Agreement and the Inducement Letter, and the

execution, delivery and effectiveness of this reaffirmation, shall not diminish, or operate as a waiver of, any right, power or remedy of the 2004 Purchasers under either the Indemnity Agreement or the Inducement Letter; provided however that the delivery requirements under Section 2A(iii) of the Inducement Letter as defined under the Note Agreement shall be satisfied upon performance in favor of Prudential Investment Management, Inc. of the delivery requirements under Section 2A(iii) of the Inducement Letter as defined under the 2008 Note Agreement.

**SECTION 5. Representations and Warranties.** Each of the Company, SCANA and SCE&G represents and warrants to the 2004 Purchasers that, after giving effect hereto (a) each representation and warranty of the Company, SCANA and SCE&G, as the case may be, set forth in the 2008 Note Agreement and the Transaction Documents (as defined in the 2008 Note Agreement) to which it is a party is true and correct as of the date of the execution and delivery of this letter by it with the same effect as if made on such date (except to the extent such representations and warranties expressly refer to an earlier date, in which case they were true and correct as of such earlier date) and (b) no Event of Default or Default exists.

**SECTION 6. Effectiveness.** The amendments described in Section 1 above shall become effective on the date (the “**Effective Date**”) when each of the following conditions has been satisfied in a manner satisfactory in form and substance to the Required Holder(s):

(a) This letter shall have been duly signed and delivered by the Company, SCANA, SCE&G and the Required Holder(s).

(b) All conditions to the closing of the 2008-A Notes set forth in paragraph 3 of the 2008 Note Agreement shall have been satisfied and the 2008-A Notes shall have been purchased by the 2008 Purchasers; and

(c) all corporate and other proceedings in connection with the transactions contemplated by this letter agreement shall be satisfactory to the Required Holder(s) and its counsel, and the Required Holder(s) shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

**SECTION 7. Reference to and Effect on Note Agreement.** Upon the effectiveness of this letter, each reference in the Note Agreement or any other document, instrument or agreement to the “Note Agreement” shall mean and be a reference to the Note Agreement as modified by this letter. Except as specifically set forth in Section 1 hereof, the Note Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects.

**SECTION 8. Expenses.** The Company hereby confirms its obligations under the Note Agreement, whether or not the transactions hereby contemplated are consummated, to pay, promptly after request by the Required Holder(s), all reasonable out-of-pocket costs and expenses, including attorneys’ fees and expenses, incurred by the holders of the Notes in connection with this letter agreement or the transactions contemplated hereby, in enforcing any rights under this letter, or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this letter or the transactions contemplated

hereby. The obligations of the Company under this Section 8 shall survive transfer by any holder of any Note and payment of any Note.


**SECTION 9. Governing Law.** THIS LETTER SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS OF SUCH STATE WHICH WOULD OTHERWISE CAUSE THIS LETTER TO BE CONSTRUED OR ENFORCED OTHER THAN IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

**SECTION 10. Counterparts; Section Titles.** This letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. The section titles contained in this letter are and shall be without substance, meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.



Very truly yours,


**THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA**

By:   
Vice President WHLB

**SECURITY LIFE OF DENVER INSURANCE  
COMPANY**

By: Prudential Private Placement Investors,  
L.P. (as Investment Advisor)


By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By:   
Vice President WHLB

**UNITED OF OMAHA LIFE INSURANCE  
COMPANY**

By: Prudential Private Placement Investors,  
L.P. (as Investment Advisor)


By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By:   
Vice President WHLB

**RGA REINSURANCE COMPANY**

By: Prudential Private Placement Investors,  
L.P. (as Investment Advisor)


By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By:   
Vice President WHLB

**NATIONAL LIFE INSURANCE COMPANY**

By: Prudential Private Placement Investors,  
L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By:  \_\_\_\_\_  
Vice President W+LB

**GENWORTH LIFE AND ANNUITY INSURANCE  
COMPANY**

By:   
Title: *Investment Officer*

AGREED AND ACCEPTED

**SOUTH CAROLINA GENERATING  
COMPANY, INC.**

By: Walter R. Can  
Title: Treasurer

AGREED AND ACCEPTED AND CONFIRMING  
THE AMENDMENTS TO THE GUARANTEE  
CONTAINED IN SECTION 2:

**SCANA CORPORATION**

By: Walter R. Can  
Title: Treasurer

AGREED AND ACCEPTED AND CONFIRMING  
THE AMENDMENTS TO THE INDUCMENT  
LETTER CONTAINED IN SECTION 3:

**SOUTH CAROLINA ELECTRIC & GAS  
COMPANY**

By: Walter R. Can  
Title: Treasurer